

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6309**

**BILL NUMBER:** SB 238

**DATE PREPARED:** Nov 7, 2001

**BILL AMENDED:**

**SUBJECT:** Teacher Recruitment and Retention.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes a teacher recruitment and retention grant program, administered by the State Student Assistance Commission, to attract qualified teachers to those geographical areas of the state where a critical shortage of teachers exists and to retain qualified teachers in teacher shortage areas by providing scholarships to persons working toward a master's degree in education or an educational specialist degree.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** The fiscal impact depends on the number of teachers that would apply for the scholarship and then teach in a geographical area where a critical shortage of teachers exists. There are approximately 22,885 teachers with less than 10 years of experience. Assuming 10% of those teachers would be willing to acquire their master's degree and teach in a shortage area, then 2,289 scholarships could be awarded the first year. Assuming an award of about \$4,200, the impact would be about \$9,613,800 the first year. The maximum length of the award is four years, but a student attending college full-time could get a masters degree in one or two years. The impact of 4,578 teachers enrolled in the program, assuming 2,289 full-time students per year for two years, could be about \$19.2 M.

The bill also allows for the reimbursement of moving expenses to the critical shortage area and professional development as may be needed for the retention of teachers participating in the program. The cost of moving expenses and professional development is not known. However, assuming expenses of \$300 for moving and \$400 for professional development, the moving expense of 2,289 teachers would be \$686,700, and the professional development cost would be \$915,600 in the second year of the program.

A teacher that receives an award is required to teach three years in a school district located in a geographic area where a critical shortage of teachers exist. If a teacher fails to meet this requirement, the teacher must immediately repay the award proportionately reduced by length of time taught in the shortage area.

The Student Assistance Commission would experience increased cost with administering the program. Assuming a 10% administrative cost, the impact the first year is \$961,000, and the annual cost after four years would be \$1.9 M.

This bill does not make an appropriation for this grant program.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Student Assistance Commission.

**Local Agencies Affected:**

**Information Sources:** Department of Education databases, Higher Education Commission fee information.